K180

ACTION EAP-00

RELEASED IN PART
B1, 1.4(B), 1.4(D)

INFO	LOG-00	NP-00	AMAD-00	INL-00	DOTE-00	EB-01	IAD-00
	FBIE-00	VC-00	FRB-00	H-00	TEDE-00	INR-00	IO-00
	LAB-01	VCE-00	NEA-00	DCP-00	NIMA-00	FMPC-00	SP-00
	SSO-00	SS-00	R-00	PRM-00	DRL-00	NFAT-00	SAS-00
	SWCI-00	/001W					

----------253CFC 280950Z /38

P 280945Z MAY 04
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC PRIORITY 9045
INFO ASEAN REGIONAL FORUM COLLECTIVE
AMEMBASSY CANBERRA
AMEMBASSY WELLINGTON
SECDEF WASHDC
USCINCPAC HONOLULU HI
NSC WASHDC

C O N F I D E N T I A L JAKARTA 005066

DEPT FOR EAP, EAP/IET, AND H

E.O. 12958: DECL: 05/28/2014
TAGS: PREL, PGOV, ECON, MARR, KDEM, ID
SUBJECT: CODEL LEACH HEARS INDONESIAN VIEWS ON BILATERAL RELATIONS AND IRAQ

REF: STATE 108218

Classified By: POLITICAL OFFICER MARK D. CLARK, REASON 1.4 (B AND D).

Summary
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1. (C) Representative James Leach, Chairman of the House International Relations Subcommittee on Asia and the Pacific, accompanied by Subcommittee Staff Director James McCormick and Legal Counsel Douglas Anderson, sought Indonesian views on our bilateral relations and the Iraq issue from a wide range of government, parliament, military and civil society leaders during his May 24-26 visit to Jakarta.

[redacted]

B1

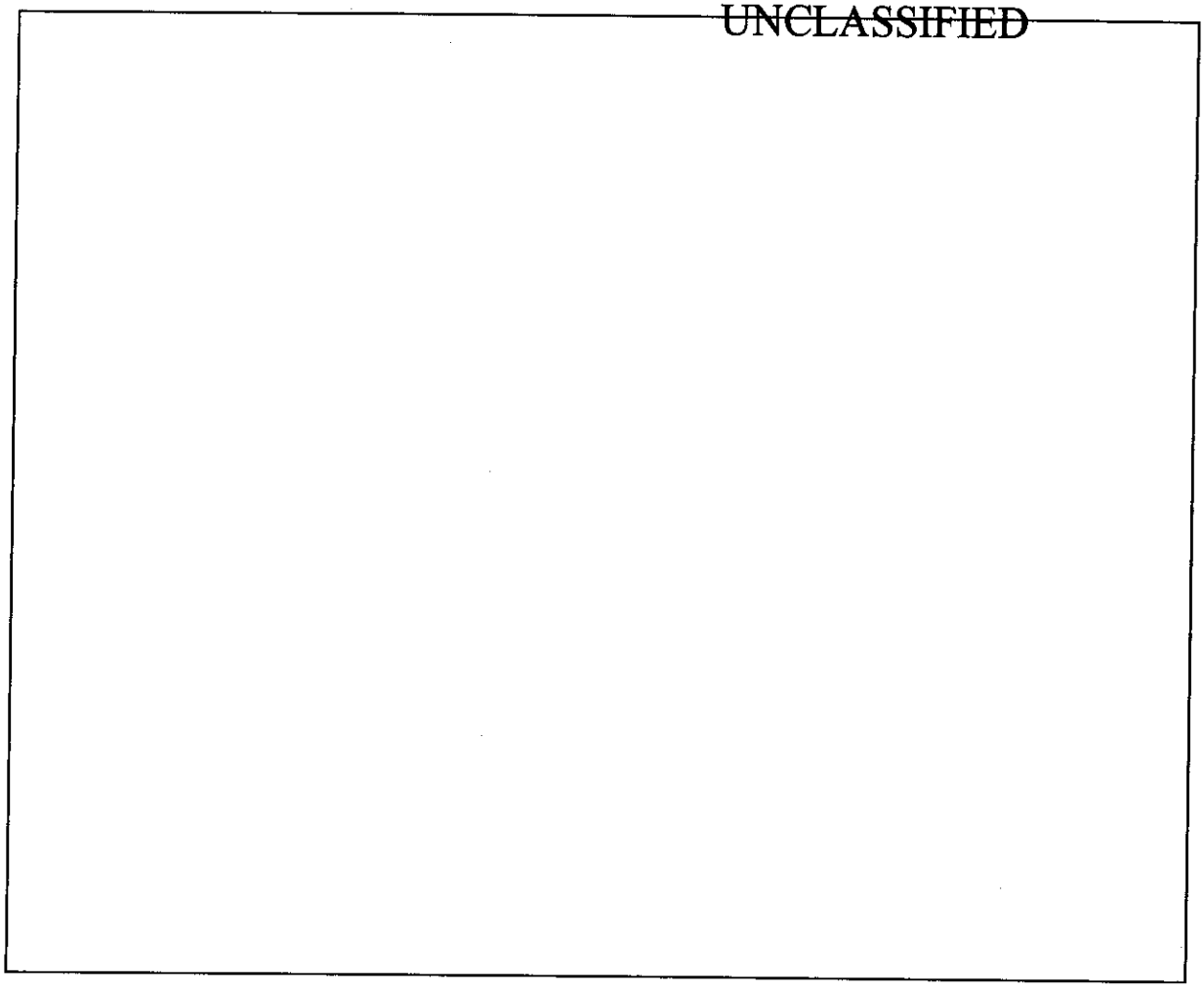
UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: SHARON E AHMAD
CLASSIFICATION: CONFIDENTIAL REASON: 1.4(B), 1.4(D)
DECLASSIFY AFTER: 20 MAY 2024
DATE/CASE ID: 12 MAY 2009 200706444

B1

AMCHAM board members discussed challenges for U.S. business in Indonesia, particularly in the insurance and power sectors. End Summary.

B1

B1

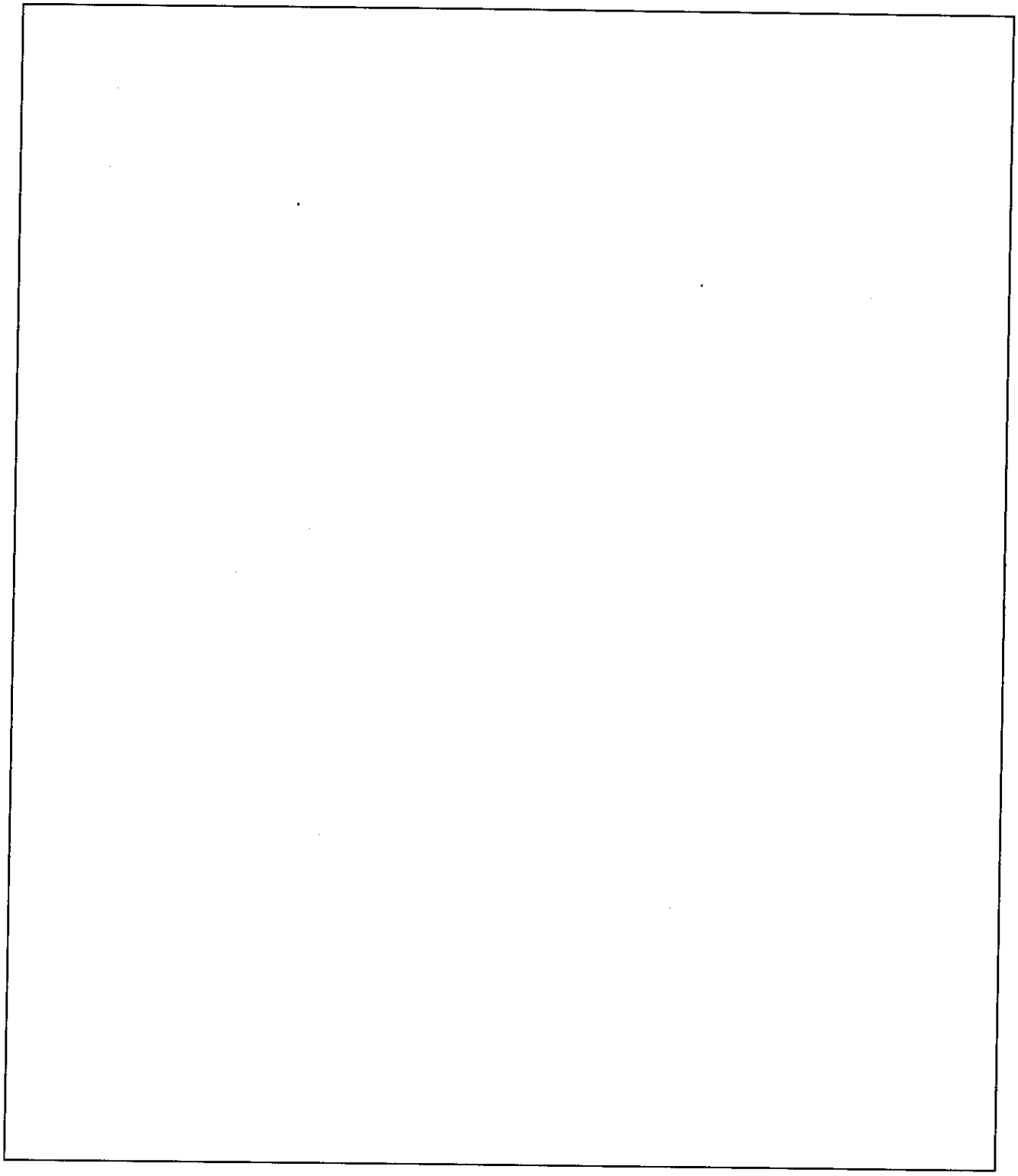


KPU: Anticipating the Presidential Election

7. (SBU) Rep. Leach complimented Vice Chairman of the Indonesian Electoral Commission (KPU) Ramlan Surbakti on the KPU's conduct of the April 5 legislative elections, pointing out that Indonesia had become the world's second largest democracy based on voter turnout. Rep. Leach noted the KPU's "impressive" neutrality as a key element. Ramlan expected voter turnout for the July 5 presidential election to surpass the 84 percent achieved on April 5. KPU would make election results public at every level of the vote count to deter fraud in the vote counting, which occurred in some areas during the legislative vote tabulation. Rep. Leach asked if the KPU's experience would have applications for future election management in Iraq. While noting his lack of knowledge of the Iraqi scene, Ramlan urged a community-oriented approach to elections administration and campaigning, and insulation of the elections process from government bureaucracy. (Comment: May 27 local press

reports mistakenly portrayed this conversation as an official U.S. offer for KPU to assist with the administration of Iraqi

elections. End Comment.)



B1

Congressman Leach highlighted themes from President Bush's May 24 speech on Iraq, particularly the plan to destroy the Abu Ghraib prison and the imminent handover of sovereignty.

Religious Leaders Express Polite Dismay Over USG Policy

10. (U) In a roundtable meeting with religious and civil society leaders, interlocutors pressed Rep. Leach to explain and defend USG policy toward Iraq and the global campaign on terror. The chairmen of Nahdlatul Ulama and Muhammadiyah, the world's largest Islamic organizations which claim a combined 75 million followers, expressed misgivings that the war on terrorism failed to address the root causes of terror and likened our current presence in Iraq to our past efforts in Vietnam. An Islamic boarding school headmistress stated with evident sorrow that she found it nearly impossible to defend USG Middle East policy to her students, stating that alleged abuses at Abu Ghraib prison were particularly troubling. Turning to domestic issues, interlocutors complained that mainstream Islam in Indonesia faced "cultural Arabization" by a minority of doctrinally inflexible local Muslims who threaten Indonesia's long tradition of religious tolerance and moderation. Another interlocutor maintained that the USG could best help Indonesia by assisting NGO efforts to pressure the GOI to implement serious measures to alleviate poverty and reduce governmental corruption.

American Businesses on Investment Climate

11. (SBU) Rep. Leach met with AMCHAM board members to discuss the current environment for U.S. business in Indonesia. Board members described joint efforts with the domestic business sector to develop a plan of action for the next government, problems with IPR enforcement, and looming power shortages. Two representatives of the insurance industry highlighted the negative impact to the industry of a recent court decision declaring the solvent British insurance company, Prudential, bankrupt. Rep. Leach requested that

they prepare suggested language for a letter to the DPR about the importance of sound regulation of the insurance industry to the overall investment climate. (Note: Rep. Leach later raised the insurance issue with Megawati, see paragraph 2. End Note.)

Comment

12. (SBU) Rep. Leach's approach during his Jakarta visit focused on seeking advice and opinions on U.S. policies, and Iraq in particular, while supporting Indonesia's progress in important areas like democracy and counter-terrorism. In all meetings, this strategy appeared effective in soliciting views and constructive in building a dialogue, particularly on U.S. actions in Iraq, which remain the subject of widespread criticism and deep skepticism in Indonesia. From meeting with President Megawati to wide-ranging discussions with parliamentarians and Islamic leaders, Codel Leach's thoughtful interaction helped to reinforce our friendship with Indonesia and advance the bilateral agenda.

13. (U) Rep. Leach has cleared this message.
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